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7 June 1956

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**CURRENT
INTELLIGENCE
BULLETIN**

OFFICE OF CURRENT INTELLIGENCE
CENTRAL INTELLIGENCE AGENCY

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25X1

~~TOP SECRET~~

Page Denied

CONTENTS

[REDACTED]

25X1

- 3. SOUTH KOREAN OFFICIALS EXPRESS CONCERN OVER
ARMY MORALE [REDACTED] (page 5).**

25X1

[REDACTED]

25X1

- 5. CABINET CRISIS IN SYRIA [REDACTED] (page 7).**

25X1

[REDACTED]

25X1

- 8. TURKS GIVE "QUALIFIED NEGATIVE" TO LATEST COMMU-
NIST ECONOMIC OFFER [REDACTED] (page 10).**

25X1

- 9. LAOTIAN CROWN PRINCE ARGUES FOR WESTERN MILITARY
GUARANTEE [REDACTED] (page 11).**

25X1

- 10. ARGENTINE CABINET RESIGNS [REDACTED] (page 12).**

25X1

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THE ARAB-ISRAELI SITUATION

[REDACTED] (page 13)

25X1

7 June 56

Current Intelligence Bulletin

Page 2

[REDACTED]

25X1

Page Denied

Next 1 Page(s) In Document Denied

SECRET

3. SOUTH KOREAN OFFICIALS EXPRESS CONCERN OVER ARMY MORALE

[REDACTED] Former defense minister Son Won-il and Assistant Vice Minister of Defense Kang Yung-hun have expressed concern over lowered army morale. They said that during the recent elections soldiers resented orders to vote for the government party and suspected tampering with their ballots. Reservists reportedly resent call-ups to active duty which coincide with the planting season. Both Son and Kang observed that defections have increased since the May elections. [REDACTED]

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Comment

Pyongyang radio reports that 20 South Korean officers and men have defected to North Korea since the election. This would represent a defection rate approximately four times that of the last few months.

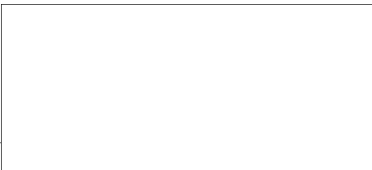
The morale problem confronting the army reflects prevailing dissatisfaction in South Korea. The Eighth Army observes that [REDACTED] military and popular resentment over the handling of the May elections, and cite the uncertainty of government and military officials as to Rhee's postelection plans.

25X1

SECRET

Page Denied

CONFIDENTIAL**5. CABINET CRISIS IN SYRIA****Comment on:**

 The resignation of the Ghazzi government in Syria on 2 June is another evidence of the continuing struggle among conservatives, independents and leftists over the form of the "national" cabinet which has been under discussion for the past three months. Personal and interparty rivalries, plus the necessity of securing army approval, have so far prevented agreement, and initial talks after Ghazzi tendered his resignation suggest that there will be considerable fumbling before a new cabinet is formed. While there is a danger that the army will be tempted to intervene directly in this situation, the chances are that a new cabinet will emerge which will, like its predecessors, be a weak coalition amenable to anti-Western leftist and army pressures.

25X1

25X1

7 June 56

Current Intelligence Bulletin

Page 7

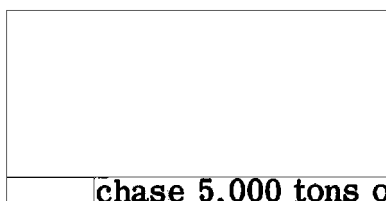
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Next 1 Page(s) In Document Denied

SECRET

8. TURKS GIVE "QUALIFIED NEGATIVE" TO LATEST COMMUNIST ECONOMIC OFFER



The Turkish Foreign Ministry informed American chargé Kohler on 4 June that it had replied with a "qualified negative" to a Communist Chinese offer to pur-

25X1

chase 5,000 tons of Turkish cotton with "free dollars." The offer was transmitted last week through the Hungarian minister in Ankara.

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Comment

Ankara regards all such Soviet bloc tactics as designed to disrupt Turkish ties with the West. While this trade offer, involving about \$5,000,000, is attractive to Ankara, basic Turkish suspicions of Communist intentions preclude any immediate change in attitude toward economic approaches with political overtones. Nevertheless, if the offer is made public in Turkey, it will add to the difficulties of the Menderes regime.

Communist China's current cotton requirements have been more than met by purchases from Egypt and Pakistan. Since the fall of 1955 the Chinese have been trying to build prestige and establish contacts in the Near and Middle East. (Concurred in by ORR)

7 June 56

Current Intelligence Bulletin

Page 10

SECRET

TOP SECRET

9. LAOTIAN CROWN PRINCE ARGUES FOR WESTERN MILITARY GUARANTEE

[REDACTED] In a meeting with the American chargé in Vientiane on 4 June, Laotian crown prince Savang stressed the need for specific assurances of Western military

25X1

[REDACTED] assistance to Laos in case of emergency. He indicated he was thinking in terms of a mutual defense agreement with Thailand, backed by the United States.

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Savang said that in the absence of some such arrangement, the high-level Laotian delegation which will probably be visiting Peiping later this year would be "defenseless" against Chinese Communist efforts to promote Laos' neutrality. He further warned that the government's guerrilla warfare against the Pathet Lao would also suffer unless there were assurances of adequate "backstopping."

Comment

Prince Savang, who has considerable influence in the formulation of Laotian policies, has frequently expressed the view that firm Western military guarantees of Laos' independence are the only sure means of preventing the country from drifting into neutralism. Premier Souvanna Phouma has already indicated he is inclined to favor a negotiated settlement of the Pathet Lao problem and to follow a policy of "peaceful coexistence" outside of SEATO.

The Thai, on their part, have shown great reluctance to engage in any serious military talks with the Laotians.

TOP SECRET

SECRET**10. ARGENTINE CABINET RESIGNS**

25X11

The resignation of the Argentine cabinet on 6 June probably is linked to conflict within the army, which is the strongest of the military forces on which the regime depends.

Various junior officers have been demanding the forced retirement of a larger number of generals, in line with the "de-Peronization" program and probably with an eye to promotion possibilities. This view is strongly endorsed by the navy, which would like to reduce the power of the old generals. Many of the generals, however, believe that a more conciliatory policy toward the mass of discontented Peronistas is now required to achieve political stability.

While American officials in Buenos Aires believe the regime has a better-than-even chance of surviving the present crisis, further retirements would increase the already large number of discontented military personnel. Moreover, strong accent on the "de-Peronization" program has fostered an atmosphere of plotting and unrest which is being exploited by the Communists and other opposition.

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SECRET

SECRET**THE ARAB-ISRAELI SITUATION**
(Information as of 1700, 6 June)

An Israeli army spokesman charged that 70 infiltrators from Syria set fire to fields of a settlement in upper Gallilee. The spokesman also charged that Jordanian soldiers penetrated Israeli territory. [REDACTED]

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The UN Truce Supervisory Organization announced on 5 June that six new observation posts had been completed on each side of the Gaza strip border. [REDACTED]

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A semiofficial Egyptian newspaper announced on 6 June that the Soviet Union had sold Egypt two Soviet destroyers and that they were now en route to Alexandria. [REDACTED]

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Syrian prime minister Ghazzi told Ambassador Moose on 4 June that the recent Syrian-Jordanian military agreement does not provide for a joint command and is not "as tight" as the Syrian-Egyptian agreement because Jordan has treaties with both Iraq and Britain which make a tight agreement impossible. Ghazzi added that Syria was still unable to persuade Lebanon to agree to a joint defense pact. [REDACTED]

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